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4305 Santa Fe Avenue, Vernon, California 90058 telephone (323) 583–8811

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May 17, 2006

Donal O'Callaghan Director of Light and Power 4305 Santa Fe Avenue Vernon, CA 90058

SUBJECT: Will Serve Letter for Natural Gas Services for Vernon Power Plant

Dear Mr. O'Callaghan:

The City of Vernon Gas Division agrees to provide natural gas supply to the proposed Vernon Power Plant (VPP) to be located at 3200 Fruitland Avenue in the City of Vernon, California.

The proposed generation facility will be served from a new 24-inch diameter steel gas supply pipeline. The pipeline will connect to an existing Southern California Gas Company (SoCalGas) main transmission line (Line 765) located approximately 0.6 mile east of the proposed facility site. Based on the City's existing wholesale service delivery agreement with SoCalGas, the City's Gas Division will be able to serve the generation facility with adequate natural gas supply.

If you have any questions regarding this matter, please call me at (323) 583-8811 ext. 316.

Very truly yours,

Ali R. Nour, P.E. Gas System Manager

City of Vernon

AN:yt



Martha A. Garcia

Wholesale and Municipal Generation Manager marthagarcia@semprautilities.com

June 20, 2006

Mr. Donal O'Callaghan Director of Light and Power City of Vernon 4305 Santa Fe Avenue Vernon, CA 90058

Southern California Gas Company

555 W. Fifth St Los Angeles, CA

Los Ange 990013

> Mailing Address: PO Box 513249 Los Angeles, CA

90051 M.L. GT-22A1

tel 213-244-3695 fax 213-244-8222

Subject: Gas Transportation Service Request Response for 943 MW Power Plant Project

Dear Mr. O'Callaghan:

Thank you for your request concerning gas transportation service to a new electric generation facility in the City of Vernon located at Boyle Avennue and Fruitland Avenue via a new tap. It is our understanding that the new generation will have a capacity of approximately 155 MMSCFD. Subject to the execution of appropriate contracts, SoCalGas would agree to provide natural gas transportation service to the proposed Vernon Power Plant subject to applicable CPUC approved rules and tariffs.

As you requested, our review was performed assuming a plant size of 943 MW using a maximum fuel flow of 155 MMSCFD at full capacity. The facility can be served off of SoCalGas transmission line 765. This interconnect would consist of a 24 inch pipeline extending for approximately 0.50 miles. The minimum operating pressure range of our transmission system at this location is currently 195 psig.

As previously advised, should Vernon wish to proceed, a detailed engineering construction design and cost estimates would need to be developed.

The availability of natural gas and pressure service, as set forth in this letter, is based on current conditions and regulatory policies that may change over time.

Thank you for your consideration.

Harth Hal

Sincerely,

Martha Garcia

Wholesale Markets & Municipal Generation Manager